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STATE FOR IO DAS MILLER, IO/EDA, IO/S
USDA FOR FAS/ICD

FROM THE U.S. MISSION TO THE UN AGENCIES IN ROME

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TAGS: [AORC](#) [EAGR](#) [EAID](#) [KUNR](#) [FAO](#)

SUBJECT: UN REFORM AND THE FAO INDEPENDENT EXTERNAL
EVALUATION

REF: (A) 04 ROME 4624, (B) 04 ROME 4297,
(C) ROME 0239, (D) ROME 0327
(E) STATE 025999 (F) ROME 1123

Sensitive but unclassified - please handle accordingly.

Summary

1. (SBU) If properly executed, the new initiative for an Independent External Evaluation (IEE) of FAO will produce a mechanism through which we can once and for all begin restructuring an organization that over time has become increasingly unwieldy and out of sync with the aspirations of major contributor and beneficiary members, alike. It is a major reform initiative -- one, we are told, that has never been carried out with such a broad scope within the UN system. The United States plays a leading role in the IEE process at FAO, and both G77 and OECD permreps are supportive of our leadership. There is extensive buy-in, with an assortment of countries ranging from Pakistan and Iraq, to Zimbabwe, Tanzania, and Brazil joining the Canadians and Europeans to all play a productive part in the dialogue. Members of the Secretariat are already exerting a measured but

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supportive role in the process.

2. (SBU) We expect to have IEE terms of reference (TOR) ready for member state consideration by mid-summer, with an eye towards finalizing them and initiating the process to select evaluators by the end of the year. We expect the November 2005 Council to adopt a report and to formally launch the evaluative process.

3. (U) This is part I of two cables on the IEE. The second will provide a more detailed update on the progress of the ISWG and address outstanding issues as we now see them.

End Summary.

Reform Centerpiece

4. (SBU) The Independent External Evaluation, if implemented as envisioned, could be the centerpiece of U.S. efforts to reform, strengthen and improve FAO. The status quo is less than acceptable from our point of view: the continuation of a rather mediocre Director General for a third term, the sprawling, unfocused nature of the institution, the lack of fundamental reforms, and the polarized impasse among member states on priorities all argue for a new approach leading to streamlining and prioritization at FAO. In seizing this opportunity, we played the leadership role in the adoption of the IEE concept at the 127th Council. We have also taken an up-front position in promoting the progress made thus far in the Interessional Working Group (ISWG) that has been working on TOR over the spring. It came as a surprise to find that many other permanent delegations from among both G77 and OECD groupings share most or all the concerns outlined above. They are now working closely with us, often acknowledging the important leadership role the U.S. is playing in moving the process forward.

5. (U) Many of these partners have contributed to or are now contributing to funding, as seen from the following list of contributions to the ISWG (in UQ:

Switzerland	43,000
USA	25,000
New Zealand	20,000
UK	27,000

Finland	20,000
Canada	24,000
Sweden	34,000
Norway	20,000

*Italy has available \$100,000 now for both the ISWG and IEE processes. The Netherlands has just announced a meaningful contribution. Canada and the UK have set aside funds of equivalent size to the \$225,000 that the U.S. still has earmarked for the IEE.

16. (SBU) The United States is not the largest donor on the list, although other members realize we have additional funds available for contributing to the IEE once we are satisfied with the TOR concepts. Nevertheless, the level of US participation will condition eventual levels of contributions. No one yet appears to be holding us to covering 22% of the overall contribution (our share of the assessed budget), but it is clear that the size of additional contributions will be determined with reference to that of the U.S. Some G77 countries are beginning to commit resources, such as Saudi Arabia and Kuwait, and we may wish to attempt once again to get G77 contributions via a formal demarche made in capitals.

17. (U) In the past six months the ISWG has reached broad consensus on the scope and objectives of the proposed evaluation, with substantive work by two hired consultants underway on an approach paper outlining the IEE. The inclusive, transparent and generally harmonious ISWG process has thus far yielded good results from the USG perspective, but progress has been slower than we had hoped. Crucial details of the TOR of the IEE and the governance and management of the evaluation remain to be worked out, but there is a process, with deadlines, in place that aims to deliver a decision on TOR during September.

Next Steps

18. (SBU) The ISWG will seek from the June 2005 Council some extra authorities to further expedite selection of evaluators, once the TOR are agreed. The real bottleneck preventing an expeditious launch of the actual evaluation, however, could be the lack of sufficient funding on time to allow contracts (which must be backed with funds in the bank) to be signed. Given that countries operate on different fiscal years, the attempt to gather the necessary funds promptly will be complex. For example, a commitment to a large contribution on the UK's part, might not produce available funding until April 1, 2006. We would like to contract with the evaluation team in January 2006 in order not to lose further time. Therefore, in a Geneva Group meeting held June 13, we emphasized the need for member states to work with capitals to have funding available in Rome by the end of CY 2005. They took this on board, but we expect the process to require continued follow-through.

19. (SBU) The price of as extensive an evaluation as we would like may be greater than we expected. There seems to be general agreement among regional groups that an evaluation should look at impact, governance, and management practices within the organization. First estimates suggest that this may cost as much as \$4 to 5 million. A concept paper to be ready by the end of June should greatly clarify the cost. If this appears a valid estimate, the U.S. will need to at least double its now anticipated \$250,000 contribution. A total commitment of \$500,000 - \$750,000 would still remain less than our normal share (22%) of overall FAO assessed contributions. It can be seen that the initial response from countries, even smaller ones, has been generous so far, in relative terms.

Comment

10. (SBU) The IEE is the best and virtually only thing we have going that offers hope of fundamental improvements in the FAO. The irony for those working closely with the organization is that FAO is full of good people who work hard and who harbor strong expertise and have good ideas. But with another at least six years of its current micromanaging Director General, next year's loss of some very capable Assistant Directors General, and the prospect that the new appointees may be more under the DG's thumb than ever before, the likelihood that the organization will implement needed reforms on its own initiative is low. The IEE will force a reform process especially if it continues to enjoy broad based

member buy-in.

11. (SBU) The U.S. will need to continue to exert leadership to ensure a successful IEE. This leadership will entail:

(1) carefully articulated diplomatic efforts to prevent our fundamentally different view on the overall FAO budget from polarizing the IEE process, itself;

(2) keeping the IEE discussion within the rhetorical framework of "program" instead of "budget" -- i.e., our statements should not allow the IEE process to produce any budget expectations one way or the other, but rather the hope of eventually a more effective and well-resourced core program;

(3) a continued effort to maintain a process dialogue with influential G77 and OECD group permreps; and

(4) a US contribution of funds commensurate with the USG's more general role in the organization.

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